

## **The theft of medicines from Italian hospitals**

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Together with counterfeiting, theft of medicines is emerging as the new frontier of pharmaceutical crime. In Italy between 2006 and 2013 one hospital out of ten registered thefts of pharmaceuticals, suffering, on average, an economic loss of about 330 thousand EUR in each episode.

This report is the first study on this booming but almost unknown criminal phenomenon. In particular, it carries out:

- an exploration of the background behind pharmaceutical theft and of the drivers that influence the demand for and the supply of stolen medicines (Chapter 1);
- an analysis, based on cases reported by the Italian media, of thefts of medicines from Italian hospitals between 2006 and 2013 (Chapter 2);

The analyses provide clear evidence on the magnitude of this illicit market and on the harm caused to patients, pharmaceutical companies, and the Italian national health system's budget. In addition, they furnish important information on where and how stolen medicines are trafficked and on the actors (both criminal and legal) involved in this illicit market. There follow some summary findings:

- Between 2006 and 2013, the Italian media reported about 68 cases of thefts from Italian hospitals (51 in 2013 alone), for a total economic loss of at least 18.7 million EUR (see 2.2.1).
- Although the whole of the country seems affected, the regions of Campania and Apulia represent more than 45% of the cases (with respectively 17 and 14 thefts).
- In terms of rates, Molise (7.1 thefts for every 10 hospitals), Apulia (3.8) and Campania (3.1) record the highest values. The highest rate among northern regions is recorded by Friuli Venezia Giulia (2 for every 10 hospitals) (see 2.2.2).
- The geography of thefts confirms the hypotheses formulated in section 1.4. Southern Italy and the eastern Italian regions are more exposed to thefts of medicines because of the greater activity of organized crime groups (both Italian mafia-type and foreign OCGs, especially Eastern-European ones) and their geographical proximity to Eastern Europe and Greece, which appear to be destinations for stolen medicines (see 2.2.2).
- Indeed, a positive and statistically significant correlation between thefts and the presence of mafia groups (especially Camorra and Apulian OCGs) can be measured (see 2.2.6 for details).

- Among hospitals, the larger (in particular more than 800 beds), more complex (more than 21 disciplines) are the ones most affected because they may have a higher turnover among the medical staff and hence weaker monitoring (see 1.3.6 and 2.2.3).
- Some hospitals have been victimized more than once: in particular the Federico II hospital of Naples and the Cardarelli hospital of Campobasso have suffered respectively 5 and 3 thefts. Other hospitals have been targeted twice.
- As hypothesized (see 1.3.1), high-price medicines are the ones most frequently stolen since they can give criminals higher returns on their risk; in particular, cancer drugs (stolen in 32 cases) are those most frequently stolen, followed by immunosuppressive (13), antirheumatic (12) and biological (10) drugs (see 2.2.4).
- Most of these are Class H or Class A pharmaceuticals (see 2.2.4) fully covered by the Italian National Health System. This may confirm the hypothesis, suggested in 1.4, that stolen products are also sold on the illegal markets of foreign countries (especially Eastern Europe and Greece) where reimbursement regimes are weaker (1.3.3), or the legal supply is insufficient (1.3.5), or where they can enter the parallel trade and be exported to high-price countries (1.3.6 and 1.3.9).
- However, it cannot be excluded that stolen medicines are re-used on the internal illegal market (see 1.3.4): for instance, in the synthesis of illegal drugs, in sport doping (e.g. EPO) or in illegal healthcare structures (e.g. during medical treatment of wanted criminals at a large). Possible, but less likely, are thefts commissioned in order to create shortages in hospital pharmacies in order to favour friendly vendors (see 2.2.3).
- To be highlighted are also the overlaps between the trafficking of stolen medicines and the parallel trade (i.e. the legal trade based on price differentials across countries). It cannot be excluded that, because of loopholes in traceability systems across jurisdictions (see 1.3.7) and the high level of liberalization of the pharmaceutical market, stolen medicines re-enter the legal trade through fictitious wholesale companies (perhaps set up in foreign countries) or corrupt brokers, and are then sold to high-price countries (e.g. Germany, Sweden) or exported back to Italian hospitals or pharmacies (see 1.3.6 and 1.3.9 for details).
- All these cases confirm the crucial role played in pharmaceutical thefts by specialized and organized criminal groups able to infiltrate or corrupt medical personnel and wholesalers (1.3.9) and possessing sufficient knowledge to identify, store, transport and place stolen products on illegal markets, in Italy and abroad (1.3.8).
- These groups may be connected with indigenous mafia OCGs (e.g. Camorra in Campania), or they may be linked to foreign OCGs, especially those already involved in property crimes and organized thefts (such as some Eastern European OCGs, see 1.3.8 for details).
- Indeed, a correlation between thefts of medicines and other property crimes (especially thefts and robberies against trucks) is evident and statistically significant (see 2.2.6).

The analysis yields a picture of a criminal activity undergoing rapid expansion and often underrated. The high profitability and the low risks (to criminals) guaranteed by the theft of medicines may shift some OCGs from less profitable and more risky activities (e.g. illicit drugs, human trafficking, etc) to this new lucrative illegal trade.

Although still based on preliminary evidence, this study provides important information that could be used by law enforcement and supervisory authorities to strengthen the fight against pharmaceutical theft and the illicit trafficking of stolen medicines. However further analyses are needed, ones which also focus on other targets (e.g. trucks and couriers) and use other information and data sources (e.g. police statistics, company data).

In particular, closer attention should be paid to how the trafficking of stolen drugs may overlap and integrate with the parallel trade thanks to the complicity of corrupted wholesalers or brokers. In this regard, study of this phenomenon would certainly benefit from stronger public-private partnerships (among research institutions, law enforcement agencies, supervisory bodies and pharmaceutical companies) and from the use of better-quality data.